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**TOWN OF PRENTISS, MISSISSIPPI
AGREED-UPON PROCEDURES**

SEPTEMBER 30, 2007

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STATE AUDITOR'S OFFICE

**TOWN OF PRENTISS, MISSISSIPPI
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Members:
 American Institute of CPAs
 Mississippi Society of CPAs

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and the Board of Aldermen
 Town of Prentiss, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Prentiss, Mississippi, as of September 30, 2007, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. It is understood the report is solely for the use of the governing body of the Town of Prentiss, Mississippi, and the Office of the State Auditor and should not be used for any other purpose. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We reconciled cash on deposit with the following banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks.

Governmental Activities	Major Funds	Balance per General Ledger
Bank	Fund/Account Name	
Regions	General - General Fund	\$ 346,002
Regions	General - Taxes	984
Regions	General - Money Market/Special Account	274,607
Regions	General - Maint Part. Of Progress	1,779
Regions	General - Town & Co. Interlocal	613
Regions	General - KLH Building	4,226
Regions	General - Municipal Court	1,781
Regions	General - Accounts Payable Clearing Fund	4,699
Regions	General - Payroll Clearing Account Fund	1,729
	Total General Fund	\$ 636,420
Regions	Special Fire Truck Fund	\$ 125,110

<u>Governmental Activities</u>	<u>Other Funds</u>		<u>Balance per General Ledger</u>
<u>Bank</u>	<u>Fund/Account Name</u>		
Regions	Airport Improvements Fund	\$	1,674
Regions	Crime Prevention Program		464
Regions	Prentiss Library Fund		2,407
Regions	Municipal Fire Fund		5,125
Regions	Municipal Fire Fund - Money Market		1,109
Regions	Prentiss Drug & Narcotics Fund		2,866
Regions	Police Department Seizures Fund		12,656
Regions	Interlocal K-9		41
Regions	1998 Bond Fund		20,441
Regions	1998 Construction Fund		60,761
	Total Other Governmental Funds	\$	<u>107,546</u>
Total Governmental Activities			\$ <u>869,076</u>

<u>Business Type Activities</u>	<u>Major Funds</u>		<u>Balance per General Ledger</u>
<u>Bank</u>	<u>Fund/Account Name</u>		
Regions	W&S Fund - Water Sewer Opr & Maint - Checking	\$	156,784
Regions	W&S Fund - Water Sewer Opr & Maint - Deposit		13,728
Regions	W&S Fund - Water Sewer Opr & Maint - Money MKT		302,500
Regions	W&S Fund - Water Sewer Relocating Fund		247
	Total Water & Sewer Fund	\$	<u>473,259</u>

<u>Business-Type Activities</u>	<u>Other Funds</u>		<u>Balance per General Ledger</u>
<u>Bank</u>	<u>Fund Name</u>		
Regions	Prentiss Complex Expansion Fund	\$	<u>11,634</u>
Total Business-Type Activities			\$ <u>484,893</u>

2. We confirmed there were no bank certificates of deposit owned by the Town.
3. We performed the following procedures with respect to taxes on real and personal property (including inotor vehicles) levied during the fiscal year:
 - a. Verified use of certified county assessment rolls and traced levies to governing body minutes;
 - b. Examined uncollected taxes for proper handling, including tax sales;
 - c. Traced distribution of taxes collected to proper funds; and
 - d. Analyzed increase in taxes for most recent period for comparison with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

4. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
General Municipal Aid	General	\$ 604
Nuclear Plant - Payments in Lieu	General	16,217
Sales Tax Allocation	General	516,020
Liquor Privilege Tax	General	1,800
Gasoline Tax	General	3,256
Homestead Exemption Reimbursement	General	12,047
Fire Protection Allocation	General	5,480
Other Grants	Airport Improvements	3,562
CDBG Water Improvement	Water & Sewer	279,946
Other Grants	General	5,478
Emergency Management	General	14,190

5. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	35
Total Dollar Value of Sample	\$411,708

We found the municipality's purchasing procedures to be in agreement with the requirements of the abovementioned sections.

6. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards in the United States of America, we do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe the items specified in paragraphs 1, 2 and 3 should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with auditing standards generally accepted in the United States of America, matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Prentiss, Mississippi, for the year ended September 30, 2007.



Windham & Lacey, PLLC
November 12, 2007

**TOWN OF PRENTISS, MISSISSIPPI
FINANCIAL STATEMENTS**

SEPTEMBER 30, 2007

Windham and Lacey, PLLC

Certified Public Accountants

2708 Old Brandon Road
Pearl, MS 39208
(601)939-8676

Members:
American Institute of CPAs
Mississippi Society of CPAs

To the Mayor and the Board of Aldermen
Town of Prentiss, Mississippi

Accountant's Compilation Report

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities, Schedule of Surety Bonds for Town Officials, and Schedule of Long-Term Debt of the Town of Prentiss, Mississippi, for the year ended September 30, 2007, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of town officials. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

Town officials have not presented government-wide financial statements to display the cash basis financial position and changes in cash basis financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the Town's cash basis of accounting, require the presentation of government-wide financial statements. The amounts that would be reported in the government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

The town officials have also elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financials statements, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

Town officials also have not presented Management's Discussion and Analysis and other required supplemental information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have issued a report dated November 12, 2007, on the results of our agreed-upon procedures.



Windham and Lacey, PLLC
November 12, 2007

Town of Prentiss
Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the Year Ended September 30, 2007

	Governmental Activities				Business-type Activities		
	Major Funds General Fund	Special Fire Truck Fund	Other Funds Governmental Funds	Total	Major Funds Water & Sewer Fund	Other Funds Prentiss Complex Expansion Fund	Total
RECEIPTS							
General Property taxes	\$ 142,509		83,931	226,440			
Road and bridge tax	52,267			52,267			
License and permits	4,875			4,875			
Franchise taxes on utilities	72,301			72,301			
Grand Gulf payments in lieu of tax	16,217			16,217			
Intergovernmental revenues:							
Federal airport grant			89,412	89,412			
State airport grants			3,562	3,562			
CDBG - water improvements					279,946		279,946
General municipal aid	604			604			
State shared revenues:							
Sales taxes	516,020			516,020			
Gasoline tax	3,256			3,256			
Alcoholic beverage tax	1,800			1,800			
Aid from county	16,610		6,735	23,345			
Fire insurance rebate			5,480	5,480			
Charges for services:							
Garbage	77,913			77,913			
Water and sewer utility					321,095		321,095
Fines and forfeits	12,154			12,154			
Interest income	30,645	5,417	5,718	41,780	22,427	253	22,680
Miscellaneous revenue	51,379		2,158	53,537			
Total Receipts	\$ 998,550	\$ 5,417	\$ 196,996	\$ 1,200,963	\$ 623,468	\$ 253	\$ 623,721

See accompanying accountant's compilation report.

Town of Prentiss
Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the Year Ended September 30, 2007

	Governmental Activities				Business-type Activities		
	Major Funds General Fund	Special Fire Truck Fund	Other Funds Governmental Funds	Total	Major Funds Water & Sewer Fund	Other Funds Prentiss Complex Expansion Fund	Total
DISBURSEMENTS							
General government	\$ 235,382			235,382			
Public safety	492,952		2,944	495,896			
Public works	301,184			301,184			
Culture and recreation			10,500	10,500			
Water and sewer utility:							
Personal services					159,852		159,852
Supplies					54,003		54,003
Utilities					64,809		64,809
Other services and charges					21,581	3,291	24,872
Total Disbursements	<u>1,029,518</u>	<u>0</u>	<u>13,444</u>	<u>1,042,962</u>	<u>300,245</u>	<u>3,291</u>	<u>303,536</u>
Excess of Receipts over (under) Disbursements	<u>(30,968)</u>	<u>5,417</u>	<u>183,552</u>	<u>158,001</u>	<u>323,223</u>	<u>(3,038)</u>	<u>320,185</u>
OTHER CASH SOURCES (USES)							
Capital outlay - improvements			(17,124)	(17,124)	(279,946)		(279,946)
Capital outlay - equipment	(5,000)			(5,000)	(7,102)		(7,102)
Airport construction			(95,625)	(95,625)			
Meter deposits net of refunds					2,186		2,186
Lease deposits net of refunds						10,000	10,000
Principal paid on bonds, notes and leases			(55,000)	(55,000)	(27,669)		(27,669)
Interest paid on bonds, notes and leases			(18,788)	(18,788)	(6,779)		(6,779)
Transfer (out)	(3,515)		(10,000)	(13,515)			
Transfer in		10,000	3,515	13,515			
Total Other Cash Sources and (Uses)	<u>(8,515)</u>	<u>10,000</u>	<u>(193,022)</u>	<u>(191,537)</u>	<u>(319,310)</u>	<u>10,000</u>	<u>(309,310)</u>
Net Changes in Cash	(39,483)	15,417	(9,470)	(33,536)	3,913	6,962	10,875
Cash - Beginning	675,903	109,693	117,016	902,612	469,346	4,672	474,018
Cash - Ending	<u>\$ 636,420</u>	<u>125,110</u>	<u>107,546</u>	<u>869,076</u>	<u>473,259</u>	<u>11,634</u>	<u>484,893</u>

See accompanying accountant's compilation report.

Town of Prentiss
 Schedule of Surety Bonds For Municipal Officials
 For the Year Ended September 30, 2007

<u>Position</u>	<u>Surety</u>		<u>Bond Amount</u>
Aldermen	The Travelers Casualty & Surety Company	\$	10,000
Town Clerk	Western Surety and Fidelity Insurance Company	\$	50,000
Deputy/Court Clerk	Western Surety and Fidelity Insurance Company	\$	10,000
Police Chief	Western Surety and Fidelity Insurance Company	\$	50,000
Policemen	Western Surety and Fidelity Insurance Company	\$	25,000
Firemen/Dispatcher	Western Surety and Fidelity Insurance Company	\$	10,000
Office Clerk	Western Surety and Fidelity Insurance Company	\$	10,000

See accompanying accountant's compilation report.

Town of Prentiss
 Schedule of Long-term Debt
 For the Year Ended September 30, 2007

<u>Definition and Purpose</u>	Balance Outstanding Oct. 1, 2006	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2007
		Issued	Redeemed	
General obligation bond	\$ 445,000		55,000	390,000
CDBG loan – Prentiss Complex	457,000			457,000
MDECD loan 6-308-CP-01	95,845		14,576	81,270
MDECD loan 9-308-CP-01	119,333		13,093	106,241
Total	\$ 1,117,178	0	82,668	1,034,510

See accompanying accountant's compilation report.